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**BOARD GENDER DIVERSITY AND SUSTAINABILITY
REPORTING QUALITY:
EVIDENCE FROM MALAYSIAN COMPANIES**



NUR AZAH BINTI MOHD DAUD

**MASTER OF SCIENCE
(INTERNATIONAL ACCOUNTING)
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**BOARD GENDER DIVERSITY AND SUSTAINABILITY REPORTING QUALITY:
EVIDENCE FROM MALAYSIAN COMPANIES**

By

NUR AZAH BINTI MOHD DAUD



Thesis Submitted to

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Accounting)**



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ABSTRACT

This study examines the effect of board gender diversity on sustainability reporting quality in case of Malaysia. Many studies that investigated the relationship between board gender diversity and sustainability reporting quality were done in foreign countries. Therefore, this study contributes to the literature in this field of study in Malaysia. The theoretical foundation for this study was supported by agency theory and resources dependency theory. The main source of information for this study was obtained from the sustainability report and annual report for the fiscal year 2016. The selected samples include of Malaysian listed companies in the main board Bursa Malaysia. Final sample consists of 98 companies. By using the ordered-probit and logistic regression analysis, the results show that there is positive relationship between the number of women on boards and proportion of women directors towards sustainability reporting quality. However, with regards to the result for independent women directors show that the relationship is not statistically significant. This study can conclude that board gender diversity can influence a better quality of sustainability reporting, supporting the regulator's initiative to promote gender diversity in the corporate boardrooms.

Keywords: board gender diversity, sustainability reporting quality, women director, independent women directors, external assurance, sustainability committee

ABSTRAK

Kajian ini mengkaji kesan kepelbagaian gender lembaga pengarah ke atas kualiti pelaporan kemampanan dalam kes Malaysia. Banyak kajian yang telah dijalankan di luar negara tentang hubungan antara kepelbagaian gender lembaga pengarah dan kualiti pelaporan kemampanan. Oleh itu, kajian ini telah memberi sumbangan kepada literatur dalam bidang pengajian di Malaysia. Asas teori untuk kajian ini disokong oleh teori agensi dan teori sumber daya kebergantungan. Sumber utama maklumat untuk kajian ini diperolehi dari laporan kemampanan and laporan tahunan bagi tahun fiskal 2016. Dengan menggunakan analisis regresi yang diperintahkan dan regresi logistik, hasil menunjukkan bahawa terdapat hubungan positif antara bilangan ahli lembaga pengarah wanita dan perkadaran pengarah wanita terhadap kualiti pelaporan kemampanan. Walau bagaimanapun, berkenaan dengan keputusan untuk ahli lembaga pengarah wanita bebas menunjukkan bahawa hubungan itu tidak signifikan secara statistik. Kajian ini menyimpulkan bahawa kepelbagaian gender lembaga pengarah mampu mempengaruhi kualiti pelaporan kemampanan yg lebih baik dan menyokong inisiatif pengawal selia untuk menggalakkan kepelbagaian gender dalam lembaga pengarah.

Kata kunci: kepelbagaian jawatankuasa lembaga, kualiti laporan kemampanan, ahli lembaga pengarah wanita, ahli lembaga pengarah wanita bebas, jaminan, jawatankuasa kemampanan

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LIST OF ABBREVIATIONS

BOD	Board of Directors
CR	Corporate Responsibility
CSR	Corporate Social Responsibility
GRI	Global Reporting Initiative
PLC	Public Listed Companies
SR	Sustainability Reporting
VIF	Variance Inflation Factor



CHAPTER 1 : INTRODUCTION

This chapter is separated into several sections. It presents, background of study in Section 1.1. Section 1.2 reveals problem statement of study. Furthermore, Section 1.3 and Section 1.4 states research questions and research objectives that researcher would like to accomplish at the end of this study. This is followed by the scope of study in section 1.5 and the significance of study in section 1.6. Finally, the organization of the thesis is outlined in section 1.7.

1.1 Background of the Study

Generally, sustainability reporting known same as other terms for non-financial reporting such as corporate responsibility reporting and triple bottom line reporting. It is an important component of integrated reporting which is the most up-to-date development that merge the non-financial and financial analysis performance. While sustainability report is one type of report issued by an organization discuss about social, economic, and environmental effects triggered by daily business operation and activity. On 5 September 2006, Bursa Malaysia Corporate Social Responsibility (CSR) framework for public listed company (PLC) was introduced. This framework is a guidance for Malaysia Company to build CSR strategy. It also gives direction on how to communicate those CSR strategy effectively to stakeholder. The main focus area that has been highlighted in CSR framework for CSR practice is workplace, environment, marketplace and community. Starting from year 2007, Malaysian PLC have been anticipated by Malaysian Government to disclose CSR activities in company annual report since disclosure of CSR activities being endorse as part of Bursa Malaysia Listing Requirements. The purpose is to inculcate CSR culture among Malaysia PLC. According to Aman and Takril (2016), the level of awareness of CSR had enhanced as proven by number of

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APPENDICES

List of the Companies

NO.	NAME OF COMPANY
1	BURSA MALAYSIA BHD
2	TELEKOM MALAYSIA BHD
3	AXIATA GROUP BHD
4	LPI CAPITAL BHD
5	MALAYAN BANKING BHD
6	TENAGA NASIONAL BHD
7	TOP GLOVE CORPORATION BHD
8	ASTRO MALAYSIA HOLDINGS BHD
9	PUBLIC BANK BHD
10	RHB CAPITAL BHD
11	CIMB GROUP HOLDINGS BHD
12	PETRONAS GAS BHD
13	ALLIANZ MALAYSIA BHD
14	SIME DARBY BHD
15	NESTLE (M) BHD
16	PETRONAS DAGANGAN BHD
17	SUNWAY CONSTRUCTION GROUP BHD
18	DIGI.COM BHD
19	MATRIX CONCEPTS HOLDINGS BHD
20	PRESTARIANG BHD
21	UEM EDGENTA BHD
22	PETRONAS CHEMICALS GROUP BHD
23	BRITISH AMERICAN TOBACCO (M) BHD
24	MALAYSIA AIRPORTS HOLDINGS BHD
25	SUNWAY BHD
26	IJM CORPORATION BHD
27	FELDA GLOBAL VENTURES HOLDINGS BHD
28	WESTPORTS HOLDINGS BHD
29	TALIWORKS CORPORATION BHD
30	UEM SUNRISE BHD
31	CAHYA MATA SARAWAK BHD
32	DAIBOCHI PLASTIC & PACKAGING INDUSTRY BHD
33	DELEUM BHD
34	DATASONIC GROUP BHD
35	HEINEKEN MALAYSIA BHD
36	SYARIKAT TAKAFUL MALAYSIA BHD
37	UMW HOLDINGS BHD
38	IHH HEALTHCARE BHD
39	CCM DUOPHARMA BIOTECH BHD
40	MSM MALAYSIA HOLDINGS BHD

41	MALAYSIA BUILDING SOCIETY BHD
42	KPJ HEALTHCARE BHD
43	QL RESOURCES BHD
44	IJM PLANTATIONS BHD
45	MAXIS BHD
46	FRASER & NEAVE HOLDINGS BHD
47	PADINI HOLDINGS BHD
48	GD EXPRESS CARRIER BHD
49	BIMB HOLDINGS BHD
50	OSK HOLDINGS BHD
51	UCHI TECHNOLOGIES BHD
52	MISC BHD
53	LINGKARAN TRANS KOTA HOLDINGS BHD
54	TUNE PROTECT GROUP BHD
55	BARAKAH OFFSHORE PETROLEUM BHD
56	BERJAYA AUTO BHD
57	AFFIN HOLDINGS BHD
58	ALLIANCE FINANCIAL GROUP BHD
59	MY E.G.SERVICES BHD
60	GADANG HOLDINGS BHD
61	TRIPLC BHD
62	DUTCH LADY MILK INDUSTRIES BHD
63	SIGNATURE INTERNATIONAL BHD
64	7-ELEVEN MALAYSIA HOLDINGS BHD
65	MEDIA PRIMA BHD
66	CARLSBERG BREWERY MALAYSIA BHD
67	AMMB HOLDINGS BHD
68	PARAMOUNT CORPORATION BHD
69	YINSON HOLDINGS BHD
70	BUMI ARMADA BHD
71	SCIENTEX BHD
72	LBS BINA GROUP BHD
73	KLCC PROPERTY HOLDINGS BHD
74	RGB INTERNATIONAL BHD
75	UMW OIL & GAS CORPORATION BHD
76	LII HEN INDUSTRIES BHD
77	MALAYSIAN RESOURCES CORPORATION BHD
78	POWER ROOT BHD
79	PANASONIC MANUFACTURING (M) BHD
80	SP SETIA BHD
81	MKH BHD
82	AMWAY (M) HOLDINGS BHD
83	KERJAYA PROSPEK GROUP BHD
84	POS MALAYSIA BHD
85	ECS ICT BHD

86	MEDIA CHINESE INTERNATIONAL LTD
87	KUMPULAN PERANGSANG SELANGOR BHD
88	UNITED PLANTATIONS BHD
89	CB INDUSTRIAL PRODUCT HOLDING BHD
90	SELANGOR PROPERTIES BHD
91	KUALA LUMPUR KEPONG BHD
92	KIM LOONG RESOURCES BHD FIMA
93	FIMA CORPORATION BHD
94	AEON CREDIT SERVICE (M) BHD
95	STAR MEDIA GROUP BHD
96	BINTULU PORT HOLDINGS BHD
97	HONG LEONG BANK BHD
98	SMIS CORPORATION BHD
99	LEE SWEE KIAT GROUP BHD
100	ASIA FILE CORPORATION BHD

